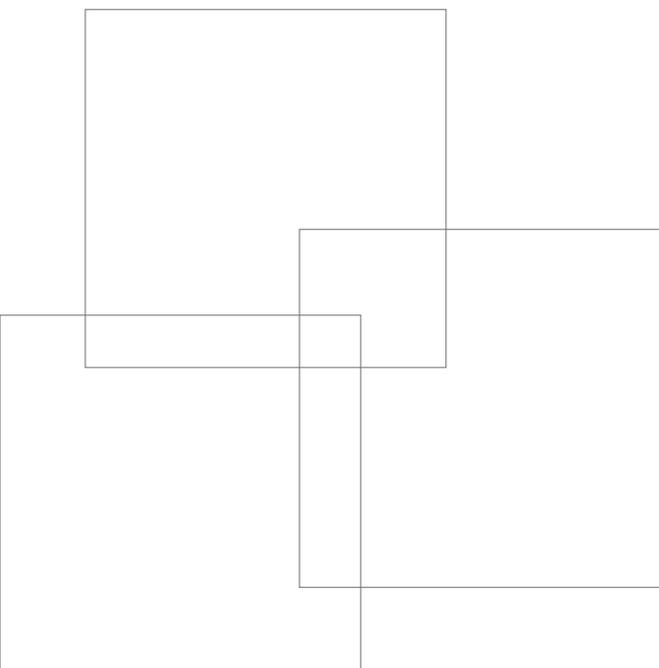




International  
Labour  
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# 2

## National employment policies: A guide for workers' organisations

What has to be in place for trade unions to successfully take part in national employment policy?

**What has to be in place for trade unions to successfully take part in national employment policy?**



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## Quick overview

Trade unions are embedded in one important concern of people's lives—their job. They understand the labour challenges in their country and they have practical ideas for overcoming them. That makes them natural stakeholders in employment policy-making. No one speaks better for workers than their unions.

Taking on this role means that trade unions have to face some challenges. They will need to move from activities centred on their traditional concerns of wages and working conditions to understanding employment issues in a larger economic context. They will need to be as active as possible in their country's forum for national employment policy stakeholders. They will need to build coalitions among themselves, and with other like-minded organisations. All of this means that they will have to build capacity and expertise in their organizations, so that they can be active players all through the policy cycle.

National employment policy processes that successfully integrate trade union input have these four common features:

- Effective social dialogue is the cornerstone of the policy process. Social dialogue is more than information-sharing, but it is not negotiation. Governments have the final say in national policies. But tri-partite social dialogue, involving government, labour and employers, is essential for credible and effective employment policy formulation and implementation.
- Strategic partnerships are vital. By joining with others, trade unions can assemble a critical mass of voices that is more likely to be taken into account by policy makers.
- Employment policy involves many different actors: the employment ministry, the key employment-generating line ministries, the ministry of finance, the central bank, civil society groups representing youth, women, people with disability and informal workers. A well-informed national employment policy requires bringing all these stakeholders together in an institutional framework where social dialogue can take place.
- The employment policy process has to be aligned with the overall national planning process. A national development framework is a country's overall plan that sets out its priorities for development over a period of time. In principle, national budgets are aligned with these priorities.

Trade unions also need to play a role in ensuring that rural and informal workers are at the table. In some countries, trade unions are in the process of changing their governance structure to give representation to informal economy workers. For example, some trade unions have revised their constitutions so that informal economy workers or their associations become members. Another option is to form alliances with organizations of informal workers.



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## 2.1. A new role for trade unions

Trade unions are embedded in one important concern of people's lives – their job. They understand the labour challenges in their country and they have practical ideas for overcoming them. They are central advocates for the promotion of decent employment. That makes them natural stakeholders in employment policy-making. No one speaks better for workers than their unions.

Trade unions have gained experience and broadened the perspective of governments in many countries, by taking part in poverty reduction strategies and ensuring that they include issues such as **decent work** (d'Achon, 2011). Their input on **national employment policy** is even more crucial. But this new role goes well beyond trade unions' traditional areas of concern and means of action. Here are some of the challenges:

### Widening the agenda

Trade unions deal daily with a whole range of traditional issues, such as wages, pensions, benefits, **collective bargaining**, health and safety, working conditions and many other things. With an increasingly complex employment reality to address, they will have to extend their areas of intervention and **social dialogue** to wider socio-economic policies. This means moving from activities centred only on **labour institutions** towards an understanding of employment issues in a larger economic context.

### New and creative actions

To influence national employment policy, trade unions cannot rely only on traditional industrial relations structures. They have to re-think and diversify their means of intervention. In countries that have a forum bringing together all national employment policy stakeholders, trade unions should be as active as possible. This provides the best channel for them to raise their concerns on employment. Where such a forum does not exist, they need to advocate for one.

### Building coalitions

Addressing employment challenges involves so many policy areas that the only way to tackle them is through the broadest possible partnerships and coalitions. Given the limited resources of individual unions, forming networks with social and economic actors at the national level can be very effective. Strategic networking with like-minded organizations helps to ensure places (and voices) at the various tables. Moreover, workers are rarely represented by a single umbrella organization at the national level, but rather by several trade unions. This makes it harder to coordinate the workers' viewpoint and represent the workers' interests. Coalition-building among trade unions themselves is key. Trade unions also need to ensure that women, youth and informal workers are well represented and their voices heard in the process of developing a national employment policy.

## Stronger capacities

To participate meaningfully in complex national policy debates, trade unions may need to build capacity and expertise within their organizations. They will need to present well-researched arguments that justify their position. That means that they will need good data, good analysis of the data, and good policy advice. They will also need to build a membership base that understands the issues as well as coalitions that can help to influence the public debate.

These things are not entirely in a trade union's hands. The availability and quality of data depends on the statistical agencies in any given country. Good analysis requires time and dedication. Policy advice has to work in the specific circumstances of any given country, and this also requires knowledge and skills. Educating the membership is not done overnight and requires resources, good methods and foresight. This last point, while important, is beyond the scope of this guide.

Each trade union faces its own challenges when it comes to allocating limited resources. But keep in mind that having in-house specialists in labour market and employment analysis can make an important difference in your trade union's capacity to influence public policy.

Establishing partnerships with universities and research institutions is another good way to get data, analysis and advice. This also helps to create coalitions around public policy issues.



## 2.2. Four key features of a successful policy process

National employment policy processes that successfully integrate trade union input have four common features:

- Effective social dialogue
- Strategic partnerships
- Strong institutional anchorage
- Alignment with the national planning process.

### Effective social dialogue

Social dialogue means all types of negotiation, consultation and information sharing between governments and their social partners. Social dialogue is the cornerstone of credible and effective employment **policy formulation** and implementation.

For trade unions to participate effectively in social dialogue, a country needs to respect freedom of association and the right to bargain collectively. The International Labour Organization (ILO) has identified eight conventions covering fundamental principles and rights at work. Among these are Conventions No. 87 and 98, which cover freedom of association and the effective recognition of the right to collective bargaining (ILO, 1948; ILO, 1949).

There has to be a sound industrial relations environment, with effective law enforcement and mechanisms for resolving disputes. Trade unions need to be legitimate, independent and representative of workers, including marginalized workers such as youth and informal workers. ILO Convention No. 144 sets forth the meaning of "representative organizations" of employers and workers (ILO, 1976).

Convention 144 also it requires ratifying states to ensure that there are effective consultations among representatives of the government, employers and workers about items that are on the agenda of the International Labour Conference. It says that employers and workers must be represented on an equal footing in any consultation bodies and that consultations must take place at least once every year (ILO, 1976).

Both the government and its social partners must have the technical competence or capacity to deliver and implement agreements. Trade unions are increasingly being recognized as strong and viable partners in the national policy-making process because they make valuable contributions and often have the capacity to help implement and monitor policies. They augment the traditional expertise of government with a different kind of knowledge and experience. In several countries, labour participation has helped to change the discourse about employment, with more attention given to decent work principles (d'Achon, 2011; Harasty et al., 2012).

### ***Consultation is not negotiation***

Consultation is more than mere information sharing, but it is not negotiation. The International Labour Organization's employment policy convention (No. 122) requires governments to consult the representatives of the persons affected by the measures and not simply to inform them before deciding (ILO, 1964). But the convention does not oblige governments to negotiate until an agreement is reached. The government has the final say.

The convention advocates for broad participation in consultations, including those working in the rural sector and the **informal economy**. The scope of the consultations covers all stages of national employment policy design, including implementation, monitoring and evaluation.

Consultation should not be limited to employment policy measures in a narrow sense. Governments should consult social partners on all economic policies that have a bearing on employment promotion.

### ***Trade unions need to be proactive***

Trade unions should not wait for the government department in charge of employment to bring them on board. Government departments do not always carry out their role in coordinating social partners' contributions. It is common for material like background information and agendas to be distributed late, limiting workers' ability to formulate adequate responses. Ask for the background information. Take steps to be well informed and present in strategic forums. Take advantage of opportunities to participate in the NEP process.

Real engagement goes beyond information sharing, consultations and rubber-stamping of decisions which have already been made by others. Genuine participation means that trade unions share control over setting priorities, influencing resource allocation, and implementing and monitoring policies.



***"They consult us but, at the end of the day, they don't do what we ask"***

is a frequent concern of trade unions. That is why it is so crucial to put in place a mechanism for participating in the formulation of the national employment policy:

- ✓ It guarantees that the unions will be high-profile partners and players in the process.
- ✓ It institutionalizes social dialogue in the process.

## Strategic partnerships

The more organizations making the case for the same priorities, the better. Trade unions cannot rely on their own efforts only. They need to build coalitions and partnerships, both among themselves and with like-minded organizations. They also need to learn from those who have been successful in influencing national planning.



Different stakeholders have different agendas and interests. This should not hinder their working together to find a common platform, although competing interests will certainly arise. For example, in Senegal, a National Committee of Social Dialogue was set up to draw together 17 trade unions with the aim of unifying claims and proposals for the formulation and monitoring of a national **poverty reduction strategy**. Progress was made, yet the performance of the committee was weakened by persistent rivalries among unions (d'Achon, 2011).

By forging alliances, trade unions can attract attention to issues of concern to them. By joining with others, they can assemble a critical mass of voices that is more likely to be taken into account by policy-makers. A single institution giving voice to a concern at national level in any country is likely to have impact only in cases where it has wide representation. In countries where membership in workers' organizations is low, forging alliances can open up new channels to ensure that their concerns reach decision-makers.

In each country, it is necessary to identify the actors with whom to establish partnerships. This might include international financial institutions, the United Nations and the wider donor community, ministries of economy and finance, employment, private sector and civil society groups, and others. Work in broad coalitions with like-minded organizations can also help to fill gaps in capacity.



For example in Canada, trade unions are members of the Canadian Centre for Policy Alternatives. This independent research institute is concerned with issues of social, economic and environmental justice. Founded in 1980, the centre is one of Canada's leading progressive voices in public policy debates. By working with the centre, unions are able to bring solid arguments to hot debates—like the myth that an aging population will cripple public health care, or that meeting climate change obligations is a job-killer.

## Strong institutional anchorage

Workers' organizations have their traditional forums for social dialogue relating to their traditional sphere of interest, such as working conditions and wages. Taking part in such forums is part of a union's day-to-day work. However, an integrated and comprehensive approach to employment policies requires an institutional framework that goes beyond traditional issues.

A prerequisite for successful engagement in a national employment policy-making process is to create the structure and conditions to enable participation to happen. Employment policy involves many different actors: the employment ministry, the key employment-generating line ministries, the ministry of finance, the central bank, civil society groups representing youth, women, people with disability and informal workers. A well informed national employment policy requires bringing all these stakeholders together in an institutional framework where social dialogue can take place.

The institutional framework should be mandated, by law or decree, to cover broad social and economic issues. It should be given adequate resources to function and have not just a consultative role, but an advisory one. This goes a long way in establishing the credibility of the institutional framework.

Anchoring the national employment policy in such an institutional framework is a prerequisite for success. First, it gives visibility to the policy. Second, it formalizes coordination between the various actors involved and coherence among the policy interventions. Third, it ensures that this coordinated approach is not a 'one-shot exercise' but a continuous and institutionalized approach to employment policy.

## Alignment with national planning processes

**National development frameworks** are the place where national priorities are defined. A national development framework is a country's overall plan that sets out its priorities for development over a period of time. In principle, national budgets are aligned with these priorities.

The national employment policy should be consistent with and anchored into the overall development framework. Its timing should be coordinated with the timing of the national development framework's formulation and revision schedule. There should be **policy coherence** in terms of **objectives, targets**, and monitoring **indicators**. The leading actors should closely collaborate. This close alignment creates a 'strategic space'. It makes it possible to convince decision makers to make employment a central and accountable target of economic policies.

In many countries, steering committees develop and monitor the national development framework. Technical working groups follow specific areas, such as the private sector, health, and education. Some countries have succeeded in setting up working groups on employment. This can facilitate the integration of the national employment policy into budgeting, planning and monitoring cycles. Countries that have poverty reduction strategies, for example, have opened up their national planning processes to a wider range of stakeholders, including trade unions.

### ***What do trade unions need to do to make this happen?***

Trade unions need to have a good understanding of the government planning process. The planning process is now well structured in most countries. It is cyclical, with a calendar of events that repeat every year. Often, information about this policy cycle is widely disseminated and easily accessible.

The challenge is to maintain engagement throughout the full cycle, not to just give limited and isolated inputs. That means finding ways to overcome the clashes of calendars with unions' everyday work. One way of doing that is to identify champions who will focus on employment policy-making.

Trade unions are not the traditional partners of a country's ministry of economy and finance, but it is this government area that leads the planning process. Trade unions need to lobby the government ministry in charge of employment to act as the interface. It is responsible for structuring social partners' contributions to the debate.



## 2.3. Ensuring a place at the table for rural and informal workers

Those working in the rural sector and the informal economy have specific constraints, needs and difficulties in the labour market. Most often, these are independent workers who are not subject to laws governing employment contracts covered by collective bargaining. Often, such workers are scattered and difficult to locate. This increases the difficulty and cost of organizing.

How can trade unions ensure that the voice of informal and rural workers is at the table during national employment discussions? In some countries, trade unions are responding to these challenges. Some are in the process of changing their governance structure to give representation to informal economy workers. For example, some trade unions have revised their constitutions so that informal economy workers or their associations become members.

Another option is to set aside human and financial resources for developing alliances with organizations of informal workers. Trade unions can establish common negotiating platforms by organizing consultations with existing associations or networks. Over the last two decades, there has been a significant growth in autonomous, membership based organizations of informal economy actors. There are organizations of home-based workers, domestic workers, street and market vendors and others. Some have opted to register as trade unions while others remain associations or loose networks.

## Case studies: The role of trade unions in including informal workers in social dialogue



**India:** Over the last decade, trade unions have organized rural informal workers into rural workers' unions, reaching 172,270 members by 2011. These unions set up 14 workers' information centres, which helped more than 83,800 informal workers to access social security schemes.

**Indonesia:** The Konfederasi Serikat Pekerja Seluruh in Indonesia formed the Building and Public Works Union for construction and the Indonesian Transport Workers Union for transport. Most of their members are informal. The building and public works members automatically become members of the union's cooperative and professional associations, giving them economic and occupational protection.

**Nicaragua:** The Confederación de Trabajadores por Cuenta Propia developed a strategy in 2009 to help self-employed workers enhance their businesses through social dialogue with certain employers and local governments. This strategy has been shared with similar organizations in other countries of the subregion.

**Ghana:** With 87 per cent of the labour force informal, various sectoral unions have organized workers over several years and some of them have joined the Ghana Trades Union Congress. The Ghana Union of Traders' Associations was formed in 1989 as a federation of 15 national and regional associations of self-employed informal traders.

**Senegal:** The Confédération Nationale des Travailleurs du Sénégal, with the MESCO bank, offers financial services to women who have been laid off and are operating small informal businesses such as trading, food processing and catering.

**India:** The Self Employed Women's Association protects poor women in informal self-employment and small businesses. It offers savings and credit services, health insurance and childcare. Similar initiatives for the working poor, especially women in the informal economy, are being developed by the network Women in Informal Employment: Globalizing and Organizing.



Source: ILO, 2013

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